

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director
July 2007

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SBA Home Page
<http://www.sba.gov>

Wisconsin SBA Home Page
<http://www.sba.gov/wi>

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SBA Holds Reg-Fair Hearing



L-R – Nicholas Owens,
National Ombudsman and
Eric Ness, Wisconsin District Director

On July 10, 2007, a Regulatory Fairness Hearing was held in Milwaukee by SBA National Ombudsman Nicholas Owens. The Ombudsman's mission is to assist small businesses when they experience excessive or unfair federal regulatory enforcement actions, such as repetitive audits or investigations, excessive fines, penalties, threats, retaliation or other unfair enforcement action by a federal agency.

At a Reg-Fair Hearing, the National Ombudsman, members of the Regional Regulatory Fairness Board and representatives of Federal regulatory agencies hear concerns, comments and complaints about Federal regulatory enforcement and compliance. These comments are then forwarded to the federal agencies for a high-level review and federal agencies are requested to consider the fairness of their enforcement action. Testimonies gathered at these hearings are also reported to Congress.

The Office of the National Ombudsman sends a copy of the agency's response to the small

business owner and, in some cases, fines have been lowered or eliminated and decisions changed in favor of the small business owner. Several small business owners testified at the hearing and several federal agencies were present.

New SBA Recertification Regulations

On June 30, new U.S. Small Business Administration regulations took effect that requires companies with federal contracts to recertify their size status as "small businesses." These actions will increase opportunities for more small businesses to receive contracts from the federal government.

"SBA is making tremendous progress improving federal contracting opportunities for small businesses," agency Administrator Steven Preston said. "As part of those reforms, we are now implementing the recertification rule - announced last November - to ensure federal rules properly classify small business contracts."

Starting June 30, any small business that merges or is acquired must immediately "recertify" its size. If the company is no longer small, the contract continues, but the federal government can no longer count it as a "small" contract. Federal agencies will also immediately modify all existing long-term (over five years) contracts to require small businesses to recertify their size status for acquisitions, mergers, and novation requests and to recertify their size status prior to an option being exercised. All existing contracts of less than five years will recertify when their first option is

exercised. The vast majority of these contracts have one-year options.

Under these rules, most large businesses credited with small contracts will no longer be counted as small, effective June 30. Nearly all the remaining large businesses will be scrubbed from the database within a year. As a result, federal agencies will need to increase efforts to identify and contract with new small businesses to meet their small business contracting goals – 23 percent as directed by Congress.

Because more than five million actions are recorded in the federal governments contracting database each year, as a practical measure, contracting officers are being allowed to review short-term contracts as they are renewed annually.

Also this summer, SBA will launch its Quick Market Search tool, an enhancement to the Dynamic Small Business Search database, part of the Central Contractor Registration database which is a component of the government-wide Integrated Acquisition Environment. The Quick Market Search tool will allow contracting officers to identify vendor pools under each of the socio-economic preference programs, including women-owned small businesses, 8(a), small disadvantaged business, HUBZone (historically underutilized businesses), and service-disabled veteran-owned small business.

SBA will also transfer responsibility for front-line small business procurement counseling and training from procurement center representatives (PCRs) to its district offices and resource partners, significantly expanding national coverage.

In addition, this summer SBA will work on agreements across the federal agencies to have them provide increased contracting opportunities under the socioeconomic procurement preference programs in which they have not met their contracting goals.

These steps will allow agency PCRs to focus on helping agencies provide genuine opportunities for more small firms to enter and redevelop in the federal marketplace, and in meeting contracting goals. SBA will train its field staff in these new responsibilities over three weeks in August.

The recertification regulation is available at The Federal Register's Web site at: <http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/E6-19253.pdf>. For additional information on the new upgrades to the DSBA database, visit the SBA's Web site at www.sba.gov/services/contractingopportunities/sizestandardtopics/index.html and click on "What's New?"

New Preferred Lender Ridgestone Bank



L-R – Dave Mohorich, Jessie Hagen, SBA District Director Eric Ness; Bruce Lammers and Tom Abraham

Ridgestone Bank was honored on Wednesday, July 11, 2007 for attaining SBA Preferred Lender status from the U.S. Small Business Administration. The ceremony was held at Ridgestone Bank's Brookfield location where SBA District Director Eric Ness and Business Development Specialist Mary Trimmier presented a plaque reflecting Ridgestone's new PLP status to CEO Bruce Lammers and other bank officials.

Under this status, SBA has delegated loan approval, closing, and most servicing, liquidation authority and responsibility to the bank. PLP lenders are nominated based on their historical record with the Agency.

Ridgestone Bank was founded in 1995 and current management and shareholders acquired the bank in September of 2006. The Bank operates in the Southeastern Wisconsin and Greater Chicago land markets.

Ridgestone Bank has a dedicated team of experienced SBA Specialists who have demonstrated a proficiency in processing and servicing SBA-guaranteed loans, which is one of the requirements to become a PLP lender.

SBA is proud to welcome Ridgestone Bank into the Preferred Lender Program and we look forward to a long and rewarding association with them in serving the small business communities within their markets.

Improved Guaranty Purchase Process

As part of the Administrator's customer outreach program, the [National Guaranty Purchase Center \(NGPC\)](http://www.sba.gov/aboutsba/sbaprograms/elending/ngpc/index.html) has realigned the guaranty purchase process. The realignment provides more streamlined processing for lenders who submit complete and orderly purchase packages.

To assist SBA lending partners in preparing complete and orderly purchase packages, the NGPC have developed the following:

a. NGPC's Web site: www.sba.gov/aboutsba/sbaprograms/elending/ngpc/index.html has an extensive section dedicated to the guaranty purchase process.

b. A narrated 128 slide Power-Point tutorial which thoroughly explains how to develop a complete purchase package is offered in the guaranty purchase section of the Web site under "View Presentation." www.sba.gov/aboutsba/sbaprograms/elending/ngpc/training/index.html.

c. Revised tab pages (tabs) which require execution. The new tabs, along with a current Checklist (also available on the Web site), provide guidance on developing a complete and orderly purchase package

according to the unique requirements set forth in the loan authorization for each guaranteed loan.

Lenders will be required to execute the revised tab page in any purchase request package received by the NGPC after August 1, 2007. This requirement is being instituted to expedite the guaranty funding process.

The NGPC held Ready Talk training conference calls with SBA field offices and lenders in May and June 2007 to further explain the improvements made in the guaranty purchase process and the assistance available to lenders on the NGPC Web site. In addition, a notification is sent to the appropriate district office each time a purchase request package is returned to the lender. There is also a recorded training session available on the NGPC Web site that details the use of the New Tabs.

District office staff and the NGPC are also available to provide training to lenders either in person or through Ready Talk sessions. Please contact your local district office or the NGPC at (703) 487-9374 if you have questions about the required documentation or to request training.

Innovative Online Training Course

The U.S. Small Business Administration and Trump University have teamed together to develop a new free online training course on ***How To Start a Business on a Shoestring Budget***, designed to help entrepreneurs understand how to take their small business ideas to market despite limited outside resources.

The SBA and Trump University have combined the best that each organization offers, bringing together a vast array of resources, information and experts to guide students through the essentials of planning and executing a business idea by bootstrapping, a common method used to minimize the amount of outside debt

and equity financing needed from banks and investors.

How to Start a Business on a Shoestring Budget is a self-paced course available through the SBA's Small Business Training Network, a virtual campus of business courses, trainings, education resources, learning tools and information assistance at www.sba.gov under the "Training" icon. It is a creative training experience and interactive assessment tool that features fictional entrepreneurs who are engaged in raising money for their small businesses, while the student entrepreneur provides advice on how to help evaluate readiness for starting a business. An added highlight is the availability of "Ask the experts" video clips, which are strategically featured throughout the course.

The course helps to evaluate eight key areas of business start-up on a shoestring, including what it takes to make something out of nothing, market research for the budget minded, budget branding and what to do when you outgrow your bootstraps.

The SBA's Small Business Training Network at www.sba.gov/services/training/index.html offers a range of online business training and counseling tools to assist entrepreneurs with business start-up, from developing marketing strategies to effective employee management. It also provides valuable information for existing small business owners. The training network is an easy-to-use tool that provides 24-hour access to business courses via the Internet.

Surety Bond Final Rule Approved

The Office of Management and Budget (OMB) approved the Surety Bond Final Rule on June 25, 2007 and it becomes effective July 25, 2007. The key provisions include:

- (1) Provides a 90% guarantee rate for Veterans. (*Definition is not the same as Patriot Express, as it*

makes no mention of Service members in transition or Spouses, but the Office of Surety Bond Guarantee will work on this to see if they can adopt the same definition).

- (2) Removes the 20 year old rate cap imposed on Preferred Surety Companies. Preferred Sureties will now be able to change rates approved at the State level, putting Preferred Sureties on the same footing as Prior Approval Sureties.
- (3) Removes the regulatory provision prohibiting affiliates of preferred Surety Companies from participating in the Prior Approval Program. (*This change recognizes the contraction in the surety industry over the years through mergers and acquisitions and should open up the SBA program to additional companies).*
- (4) Reduces the required audit Frequency imposed by the CFR on Preferred Surety Companies from annually to at least once every three years.
- (5) Imposes a 60 day period for the payment of Surety Company fees to SBA.
- (6) Removes the CFR reference to the Preferred Program as a "pilot" program and establishes it as a permanent program.

Business.gov Website Expands

[Business.gov](http://www.business.gov) continues to expand its offerings of resources and tools to help small businesses comply with federal government regulations.

Responding to feedback from its business community users, Business.gov has developed a tool that helps businesses determine their license and permit requirements. The site at www.business.gov has expanded the content and context of the information contained in its Compliance Guides and developed relationships with other governmental organizations to provide more in-depth compliance resources.

Business.gov's new "Permit Me" feature provides a single source for obtaining federal, state and local permits and professional licenses for businesses. While every business in the United States is required to obtain a permit, professional license, or identification number to operate, finding the right license can be a major challenge for potential business owners. Although some states offer assistance to help individuals understand their local permit and license requirements, not all provide federal information.

This information gap results in an additional burden to business owners as they must locate, research and understand federal, state, and local government resources separately and then compile the information to gain a comprehensive understanding of their regulatory requirements. "Permit Me" allows businesses to navigate to a single destination and presents a list of licensing and permit resources across all the federal, state and local domains.

Business.gov has also added "Feature Topics" that focus on common business concerns and that will be continually updated on a timely basis. Featured Topics provide context to the compliance information provided on the site and help business owners understand in plain language the regulatory requirements their businesses face. Regulatory information is typically written from the individual agency's perspective and can fail to adequately explain the impact of the requirement on business operations or the steps required to comply. The failure to develop compliance assistance information that addresses the practical concerns of the business community adds to business' owners compliance problems. The Content Partners Program has been established to formalize relationships with government agencies, trade associations and professional organizations to develop compliance assistance tools and resources for small and medium-sized businesses.

Content Partners will provide domain specific compliance information to Business.gov ultimately to develop compliance resources that will be featured on the site's Featured Topics and Compliance Guides pages.

Business.gov is managed by the U.S. Small Business Administration in partnership with 21 other federal agencies and is part of the President's Management Agenda. Originally launched in 2004, the Web site provided information on starting, growing, and managing a small business. The re-launched compliance site is designed to better meet the needs of the business community, based on feedback from test groups.

Editor's Notes

TRAINING CALENDAR

Be sure to visit <http://web.sba.gov/calendar/public/index.cfm?op=group&grp=73> for business training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers, and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences and seminars at the federal level but will also include state, local, and private activities when they pertain to small business improvement.

SBA June 2007 Loan Totals

www.sba.gov/idc/groups/public/documents/wi_milwaukee/june07approvals.pdf

SBA June 2007 Micro-Loans

Wisconsin Women's Business Initiative Corp.
6 Loans for \$95,235
Lincoln Neighborhood Redevelopment
1 Loan for \$10,000

Are you a Veteran?

Thought about Starting Your Own Business or Expanding the One You Have?

If you have, You are Invited to Attend a Small Business Finance Seminar

Featuring information on the [Patriot Express Loan Program](#)

At No Cost To You

Date: July 25, 2007

Time: 10:00 am - Noon

Place: Milwaukee Elks Lodge, 5555 W Good Hope Rd, Milwaukee, WI

**Seating is Limited
Pre-registration is Required**

Please call one of the Milwaukee Job Center Network Veterans employment staff below and register for this informative event.

Job Center Teutonia

Stan Kogutkiewicz @ (414) 438-2019
Maurice Brazell @ (414) 438-5371

Job Center Northeast

Steve Klatt @ (414) 267-3217

Job Center Southeast

Greg Williams @ (414) 389-6293
James Kienast @ (414) 389-6292
Juan Torres @ (414) 389-6654

A Light Lunch Will Follow

SBA 2008 SMALL BUSINESS AWARD NOMINATION

Help us recognize outstanding leaders in the small business community

SBA's size standards apply in defining a business as small- individuals who own and operate or bear principal responsibility for operating a small business are eligible.

AWARD CATEGORIES

Please check one or more potential categories:

- ☐ **Small Business Person of the Year:** For developing an outstanding, growing business; innovative product(s), increasing jobs, increasing sales, overcoming adversity, and community contributions.
- ☐ **Small Business Exporter of the Year:** Significantly increased export sales and profits, encouraging other firms to export, increased jobs through exports, and innovative methods of creating markets.
- ☐ **SBA Young Entrepreneur of the Year:** Owner will not reach 30th birthday by June 1, 2008, three-year evidence of success in sales and profits, increased jobs, innovative products, demonstrated potential.
- ☐ **Minority Small Business Person of the Year:** For developing an outstanding, growing business, innovative products, overcoming adversity and community contributions (Wisconsin award)
- ☐ **Emerging Small Business Person** For developing an outstanding business with at least a three year track record, under 25 employees, under \$2.5 million in sales and less than 10 years in business (Wisconsin award)

Small Business Champions of the Year: Those who promote small business, including volunteering time and services to small business interests and groups, advocating the cause of small business in the legislative process. Champions may or may not be small business owners.

- | | |
|---|--|
| <input type="checkbox"/> Minority Small Business Champion | <input type="checkbox"/> Women in Business Champion |
| <input type="checkbox"/> Veteran Small Business Champion | <input type="checkbox"/> Small Business Journalist |
| <input type="checkbox"/> Small Business Legal Assistance (WI Award) | <input type="checkbox"/> Family-Owned Small Business |
| <input type="checkbox"/> Financial Services Champion (Accountant advocate merged with this category) | <input type="checkbox"/> Home Based Business Champion |
| <input type="checkbox"/> Jeffrey Butland Family Owned Small Business – A family owned business that has passed from one generation to another and owner has responsibility for operating the business with at least a 15 year track record | |

NOMINEE INFORMATION

I nominate _____ Title _____

Company/Organization _____ Address _____

Phone _____ Fax _____ E-mail _____

Nominees Qualifications for this Award—**attach short description on why this business/advocate should be considered:**

When nominating a business owner please complete the following:

Is the company operating profitably _____

of years in business _____ # of employees _____ annual sales \$ _____

SIC/NAICS code _____

NOMINATOR'S INFORMATION:

Nominator Name _____ Title _____

Organization _____

Address _____

Phone _____ Fax _____ E-mail _____

Reply by **September 28, 2007**

mail (or fax 414-297-1377) this form to:
Small Business Awards Committee, U.S. Small Business Administration
310 West Wisconsin Avenue, Suite 400
Milwaukee, WI 53203

For more information, please contact: (414) 297-1093. Self-nominations accepted. This form may be duplicated. **For further consideration, a nomination binder with detailed materials will be requested.** SBA will contact the nominator with details. Thanks for your support!

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 310 W. Wisconsin Avenue, Room 400, Milwaukee, Wisconsin 53203 Phone: 414/297-3941 Fax: 414/297-1377